Montreal Pipe Line Company Limited

Submission to

THE ROYAL COMMISSION ON ENERGY

Concerning

THE HISTORICAL BACKGROUND, DEVELOPMENT AND OPERATIONS OF THE PORTLAND-MONTREAL PIPE LINE SYSTEM

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INTRODUCTION

This submission has been prepared by Montreal Pipe Line Company Limited with a view to providing the Commission with data concerning the historical background, development, operation, and the present status of the Portland-Montreal Pipe Line System. It is presented in the form of a factual statement of the main points of interest in the development of the System since the initial construction and operation in 1941.

SUMMARY OF THE DEVELOPMENT, OPERATION AND PRESENT STATUS OF THE SYSTEM

The Portland-Montreal Pipe Line System was originally constructed in 1941 by Standard Oil Company (New Jersey) as a war measure to supply Montreal by a means which would shorten tanker hauls and also give greater flexibility of supply during the winter season. Before that, the Montreal refineries were supplied entirely with imported crude which came up the St. Lawrence River by tanker during the seven months per year of open navigation, which involved moving in beforehand and storing all requirements for winter running. In 1946 the System was taken over, as a supply facility, by the four companies then operating refineries in the Montreal area, namely, The British American Oil Company Limited, Imperial Oil Limited, McColl-Frontenac Oil Company Limited and Shell Oil Company of Canada Limited. In 1955 Canadian Petrofina Limited completed a new refinery in the Montreal area, purchased a ten percent interest in this System and since then, with the Companies above named, has been served by it. Since 1946, when the Canadian oil companies acquired ownership of the System, its capacity has been substantially increased step by step to meet the continually increasing requirements of the Montreal refineries.

The Portland-Montreal Pipe Line System, as it exists today, is a crude oil transportation system consisting of a tanker unloading terminal at South Portland, Maine, with two main pipe lines, one 12 inch and one 18 inch in diameter, 236 miles in length between South Portland, Maine, and Montreal

East, Quebec and eight pump stations located along the route of the line, six in the United States and two in Canada together with a terminal manifold and delivery lines at Montreal East connecting with the five refineries owned and operated one each by The British American Oil Company Limited, Canadian Petrofina Limited, Imperial Oil Limited, McColl-Frontenac Oil Company Limited and Shell Oil Company of Canada Limited, hereinafter sometimes collectively called the "Canadian oil companies". The Canadian section of the System is owned by Montreal Pipe Line Company Limited, a Canadian corporation, and the United States section by Portland Pipe Line Corporation, a corporation organized under the laws of the State of Maine. Montreal Pipe Line Company Limited is owned by the five Canadian oil companies mentioned above and Portland Pipe Line Corporation is owned entirely by Montreal Pipe Line Company Limited.

The Pipe Line System is entirely dependent on crude oil receipts by tanker at South Portland, Maine mainly from Venezuela and the Middle East. The System eliminates approximately two thousand miles of tanker haul from Venezuela, compared with direct tanker movement to Montreal. In addition, it assures efficient, economical transportation during the five winter months when the St. Lawrence River is closed to navigation.

System capacity has been increased from 60,000 barrels per day in 1946 to 253,000 barrels per day at the present time. A major increase in capacity resulted from the construction during 1950 of a second main line, 18 inches in diameter, from South Portland, Maine to Montreal East, Quebec, 236 miles in length and additional capacity increases have been carried out each year since then through 1957. The continued expansion of the System has been necessary in order to handle the year to year increases in crude requirements of the five Montreal East refineries which supply a major portion of the petroleum products consumed in Eastern Canada. During 1957 a total of 81,428,930 barrels, or 223,093 barrels per day, were delivered through the System to these refineries.

Investment in the System has increased with each expansion step and as of December 31, 1957 totaled $37,352,000. The pipe line tariffs have been maintained at a rate substantially competitive with tanker rates to Montreal. No dividends have been paid to the Canadian oil companies except two dividends aggregating $414,100. which were paid in 1946 and 1947 by Montreal Pipe Line Company Limited. System expansion has been financed by retained earnings and long term loans from banks and insurance companies guaranteed by throughput agreements by the Canadian oil companies. The outstanding balance of long term loans of the two pipe line companies as of May 31, 1958 totaled $7,721,667. In addition, Portland Pipe Line Corporation has an outstanding short term loan of $700,000 making a total present loan balance of $8,421,667.

The following figures are presented to indicate the change in the financial picture of the Pipe Line System during the period of ownership by the Canadian oil companies:

	1946	1957
Investment in Fixed Assets, Dec. 31st	$12,428,910	$37,352,375
Operating Revenue	$ 2,559,809	$10,193,902
Net Income	$ 643,447	$ 2,384,577

If through action beyond the control of the refiners the source of the Montreal refineries' crude supply is changed to render the Portland-Montreal Pipe Line System inoperative, the five Canadian oil companies will suffer a loss equal to the sum of their equity value in it and their obligations under the throughput agreements for the System's outstanding debt. There would be practically no salvage value in the System. As of the end of 1960, the earliest date when it could be reasonably estimated that the source of supply could be changed, the debt obligation and estimated equity value would aggregate about $25,000,000, of which $4,885,000 would be long term debt obligation and the balance would represent equity, less accumulated cash in excess of liquidation cost. This amount of $25,000,000 amortized over a period of five years at five percent, would represent a charge of approximately 7c per barrel on crude run during the five-year period, assuming average runs of 250,000 barrels per day.

CORPORATE HISTORY

The original 236 mile 12 inch line System with 60,000 barrel per day capacity with eight pump stations, a tanker unloading terminal at South Portland, Maine and a delivery terminal at Montreal East, Quebec was constructed in 1941 and was entirely financed by Standard Oil Company (New Jersey).

The section of the System in the United States was owned by Portland Pipe Line Company which was incorporated in the State of Maine in May, 1941. The section in Canada was owned by Montreal Pipe Line Company Limited, a Canadian corporation incorporated under the laws of Canada in May, 1941. As of January 1, 1946, Standard Oil Company (New Jersey) sold its entire interest in the Portland-Montreal Pipe Line System to the four Canadian oil companies which owned and operated the refineries at Montreal East which were then being supplied with crude oil by the System.

These four Canadian oil companies were The British American Oil Company Limited, Imperial Oil Limited, McColl-Frontenac Oil Company Limited and Shell Oil Company of Canada Limited. In the United States the transaction was consummated through the transfer of assets from Portland Pipe Line Company (later liquidated) to Portland Pipe Line Corporation which was incorporated under the laws of the State of Maine in March, 1946. In Canada the transaction was consummated through the purchase of all of the stock of Montreal Pipe Line Company Limited by these four Canadian oil companies. When this transaction was completed the stock of the two pipe line companies was owned, 40% by Imperial Oil Limited and 20% by each of the other three oil companies. In July, 1955, Canadian Petrofina Limited purchased 10% of the stock of the two pipe line companies from these four Canadian oil companies. In December, 1956, the five Canadian oil companies transferred their entire share interests in Portland Pipe Line Corporation to the Montreal Pipe Line Company Limited in exchange for equivalent share interests in the latter company. Present ownership of Montreal Pipe Line Company Limited is Imperial Oil Limited 36%, The British American Oil Company Limited, McColl-Frontenac Oil Company Limited and Shell Oil Company of Canada Limited 18% each and Canadian Petrofina Limited 10%. The System is operated for the benefit of these five companies as a plant facility.

REVIEW OF INCREASES IN SYSTEM CAPACITY

The original capacity of the System upon completion of its construction in November, 1941, was 60,000 barrels per day. The following summary covers expansion steps carried out since that time.

1947

During 1947 it became evident from the forecasts of crude requirements by the Montreal East refineries that a substantial increase in capacity of the 12″ line system would be necessary and a second main line construction study was initiated. Because it was then impossible to obtain pipe for a second main line, eight duplex pumps were purchased and installed temporarily as a third pumping unit at each pump station. This increased total pump displacement of light crude capacity to 80,000 barrels per day and resulted in a year round daily capacity with the crude then being handled of 70,000 barrels per day.

1948-1950

In May, 1948, a purchase order was placed for pipe required for a second main line. 18″ pipe for this project was delivered in May and June of 1950 and the line was constructed during the summer and fall of that year. With the completion of the 18″ line in November, 1950, System capacity was increased to 127,000 barrels per day with three station operation on both the 12″ and 18″ lines which was sufficient to meet the forecast requirements at that time.

1951

Forecasts for the winter of 1951-1952 obtained in the spring of 1951 indicated an increase in System capacity would be needed from 127,000 to 140,000 barrels per day. To meet this an increase in 18″ line capacity was obtained by installing a fifth triplex pump at North Waterford station and changing pump plungers in all 18″ line pumps at the three operating stations.

1952

During 1952 System capacity was increased to 150,000 barrels per day by the reactivation of the Highwater station on the 18″ line. One 500 HP motor with a single stage centrifugal pump and a 1250 HP motor with a two stage centrifugal pump were installed at this station.

1953

Highwater station was reactivated to serve as a fourth station on the 12″ line by putting one triplex and one duplex plunger pump back in service. To match Highwater's new pumping capacity a duplex plunger pump was installed to operate in conjunction with a previously installed triplex reciprocating pump on the 12″ line at each of the three U. S. stations. This increased System capacity to 158,000 barrels per day.

1954

Four new intermediate pump stations were constructed and placed in operation on the 18″ line. These stations are located at Raymond, Maine, Shelburne, New Hampshire, Sutton, Vermont and St. Cesaire, Quebec, and brought the 18″ line up to eight station operation. Each of these stations was equipped with three single stage centrifugal pumps, driven by explosion-proof motors. A third centrifugal unit was installed at the Highwater station and 41,000 barrels per day plungers were installed in four of the reciprocating units in each of the three original pump stations. These changes increased System capacity to 190,000 barrels per day.

1955

A four stage centrifugal pumping unit was installed in each of the four intermediate pump stations together with control equipment and manifolding to operate on the 12″ line. This brought the 12″ line up to eight station operation and increased System capacity to about 208,000 barrels per day.

1956

A four stage centrifugal pump, driven by a 1440 HP motor, housed in a new building, with the necessary control equipment and manifolding was installed on the 12″ line at South Portland, North Waterford, Lancaster and Highwater stations. These units released one triplex and one duplex pumping unit for use on the 18″ line at the three original United States stations. One 1250 HP motor was installed, replacing a 1000 HP motor on one of the 18″ line pumps at the Raymond, Shelburne and Sutton stations for operation on the 18″ line. A section of 1.5 miles of 22″ loop line was constructed on the 18″ line on the discharge side of Lancaster station, and 5.6 miles of 22″ loop line was also constructed in Canada in the vicinity of St. Cesaire station. These changes increased System capacity to 237,000 barrels per day.

1957

A centrifugal booster pump was installed in series with the reciprocating pump units on the 18″ line at South Portland, North Waterford and Lancaster. New buildings were constructed at these locations to house the booster pumps and switchgear. Two 1500 HP centrifugal pumping units were installed, one at Highwater and one at St. Cesaire, replacing smaller pumping units. These changes increased System capacity to 253,000 barrels per day.

The following table shows gross investment in the System facilities and net additions thereto by years for the period 1946 through 1957:

	Gross Investment in Fixed Capital Assets		
	Beginning of Year	Additions Less Retirements	End of Year
1946	$12,229,754	$ 199,155	$12,428,909
1947	12,428,909	676,146	13,105,055
1948	13,105,055	63,914	13,168,969
1949	13,168,969	321,202	13,490,171
1950	13,490,171	12,802,460	26,292,631
1951	26,292,631	176,205	26,468,836
1952	26,468,836	411,554	26,880,390
1953	26,880,390	689,749	27,570,139
1954	27,570,139	2,629,599	30,199,738
1955	30,199,738	1,273,343	31,473,081
1956	31,473,081	3,857,443	35,330,524
1957	35,330,524	2,021,851	37,352,375
Total Net Additions		$25,122,622	

SUMMARY OF PRESENT SYSTEM

The following summarizes the various facilities comprising the present pipe line system:

1. **Pipe Lines**

12″ Main Line—South Portland to Montreal	236.7 mi.
18″ Main Line—South Portland to Montreal	236.4 mi.
22″ Loop Line on 18″ Main Line System	7.1 mi.
24″ Unloading and Transfer Line—South Portland Terminal to Tank Farm	2.8 mi.
30″ Unloading and Transfer Line—South Portland Terminal to Tank Farm	2.6 mi.
36″ and 30″ Unloading Line—Pier #2 to South Portland Terminal	.9 mi.

2. **Portland, Maine, Office**

The main office of the Portland Pipe Line Corporation is in rented space at 335 Forest Avenue, Portland, Maine. The management, engineering, accounting, purchasing, personnel, right-of-way and dispatching offices are located here.

3. **South Portland, Maine, Installations**

(a) **Tankage**

At Terminal— 2—140,000-bbl. floating roof tanks
At Tank Farm—2—135,000-bbl. floating roof tanks
4—140,000-bbl. floating roof tanks
8—150,000-bbl. floating roof tanks
1—268,000-bbl. floating roof tanks

Total tank capacity is 2,578,000 barrels.

(b) **Piers**

Portland Pipe Line Pier #1—An 882 ft. long, finger pier near Front Street, constructed in 1946, with two berths 35 feet deep for ships up to a maximum of 32,000 deadweight tons.

Portland Pipe Line Pier #2—This pier, constructed in 1956, is a 975-foot long extension to a previously existing 1,000 foot long finger pier about one-half mile from Pier #1. Planned for two berths it has now a berth on one side only, 42 feet deep, which is reached from the Harbor channel by an approach channel 40 feet deep. 60,000 deadweight ton vessels can be berthed here.

(c) **Dock Lines and Unloading and Transfer Lines**

16″ and 24″ lines on Pipe Line Pier #1 and a 36″ line on Pier #2. The 36″ line on Pier #2 connects into a 30″ line at the inshore end of the pier. Each pier line can be connected at a point near the Terminal tanks, to discharge into the Terminal tanks or into the Tank Farm tanks through the 24″ or 30″ unloading and transfer lines.

(d) **Terminal Transfer Pump Station**

Four single stage centrifugal pumps operating in parallel for transferring from Terminal tanks to Tank Farm. Transfer rate 9,000 to 12,000 barrels per hour depending on whether 3 or 4 pumps used, kind of oil, and height of oil in receiving tank.

(e) **Main Line Pumping Station**

The following pumping units housed in three separate buildings operate on the 18″ line:

5—Gould Triplex Pumps each with a 500 HP synchronous motor.

1—Prescott Duplex Pump with a 350 HP motor.

1—Centrifugal Booster Pump with a 1,000 HP motor.

A 1440 HP motor and four stage centrifugal pump housed in a separate building serves the 12″ line.

The total system capacity with all the above units is 253,000 barrels per day.

A panel board is located in the pump station control room which has a diagrammatic layout of the tank farm on which are mounted the push buttons for remote operation of the tank farm manifold valves for switching, from one tank to another, the incoming streams from tankers and the outgoing streams to the main lines. The switching is done at the proper time as determined by remote readings of the oil levels in the tanks at the Telematic Gauge reading panel, which is also mounted on this control board.

(f) **Other Installations**

There are several auxiliary buildings and other structures in South Portland. Among these are pier shelters, pier guardhouses, boiler houses, manifold buildings, fire house, oil separator facilities and a Terminal Superintendent's residence.

4. **Raymond, Maine, Main Line Pumping Station**

This is one of four intermediate stations constructed in 1954 for operation on the 18″ line, and in 1955 connected to the 12″ line. It is on Maine Highway 121, about 26 pipe line miles from South Portland. On the property are the pump building, the control building, outdoor manifolds connecting to the 18″ and 12″ main lines, an electrical substation and related service facilities. Pumping equipment on the 18″ line consists of one 500 HP, 1800 RPM Westinghouse explosion-proof motor driving a single stage Byron-Jackson centrifugal pump in series with two single stage pumps, one driven by a 1375 HP, 3600 RPM Westinghouse motor and the other by a 1250 HP, 3600 RPM General Electric motor. Pumping equipment on the 12″ line consists of a 1250 HP, 3600 RPM Westinghouse explosion-proof motor driving a four stage United centrifugal pump. Control equipment, on both lines, includes sequential starting of the units and necessary automatic protective devices, including automatic shutting down of the station when a scraper approaches so as to enable the latter to pass through the outside manifolds. A cottage is provided for the Chief Operator.

5. **North Waterford, Maine, Main Line Pumping Station**

About 25 miles from Raymond, this station is similar to the South Portland main line pumping station except that a 500 HP and a 900 HP motor are installed in place of the 350 and 1,000 HP motors listed at South Portland. On the property, in addition to the four buildings housing the pumping units, there are a manifold building, a boiler house building, a 30,000 barrel cone roof tank and four wooden frame cottages which are occupied by some of the station employees.

**6. Shelburne, New Hampshire, Main Line Pumping Station—
Shelburne Warehouse and Shop**

This is another of the four intermediate pump stations constructed in 1954. It is similar in all respects to the Raymond pumping station except that the motor on the 12″ line pumping unit is 1400 HP. This property is 27 pipe line miles from North Waterford, on the north side of U. S. Route #2 in New Hampshire. On the property are also located six wood frame cottages for employees and the Shelburne Warehouse and Shop, which is the headquarters for the Electrical, Maintenance and Mechanical Foremen, and which contains shop equipment and space for general repair and welding work. The Company's main stock of replacement parts is stored here.

7. Lancaster, New Hampshire, Main Line Pumping Station

This station has the same equipment as the South Portland main line station. Auxiliary buildings are substantially the same as those at North Waterford, except that only one cottage for the Chief Operator is provided. It is 25 miles beyond Shelburne on the west side of U. S. Route #2.

8. Sutton, Vermont, Main Line Pumping Station

This is another of the four intermediate pump stations constructed in 1954. It is similar in all respects to the Raymond pumping station except that two of the motors are 600 and 1440 HP instead of 500 and 1375. This station is 31 miles from Lancaster on the west side of U. S. Highway 5 in Vermont.

9. North Troy, Vermont, Scraper Trap

This is a steel and brick building located 1½ miles south of the International Boundary near North Troy, Vermont, 31 miles from Sutton. It was built in 1950 to receive and dispatch scrapers in both lines so that the scrapers would not have an excessive distance to travel with the 3-station operation which was in effect at that time.

10. Highwater, Quebec, Main Line Pumping Station

This property is in Canada near Highwater, Quebec, with its south boundary line on the International Border. In addition to the pump station building there are on the property the 12″ manifold building, the boiler house building, a Quonset Hut, an 18″ manifold building which was constructed in 1952, a 30,000-bbl. cone roof tank, and eight wood frame cottages which are occupied by some of the station employees.

This station, reactivated in 1952 to serve the 18″ line and in 1953 to serve the 12″ line, at present has the following equipment.

	Pump	Motor
18″ Line	Single Stage Byron Jackson	1250 HP, 3600 RPM, Westinghouse
	Single Stage Byron Jackson	1500 HP, 3600 RPM, Westinghouse
	Single Stage Byron Jackson	1000 HP, 3600 RPM, Westinghouse
12″ Line	4-Stage United	1440 HP, 3600 RPM, Westinghouse
	Prescott Duplex Prescott Triplex	These pumps and their 475 and 500 HP synchronous motors are available for standby use.

11. St. Cesaire, Quebec, Main Line Pumping Station

This is another of the four intermediate pump stations constructed in 1954. It is similar in all respects to the Raymond pumping station except that it has one 1500 HP and two 1250 HP motors on the 18″ line. This station is 40 miles beyond Highwater, a short distance from the village of St. Cesaire, Quebec.

12. Scraper Trap Houses—Richelieu and St. Lawrence Rivers

On the east and west banks of the Richelieu and St. Lawrence Rivers are located brick buildings housing scraper traps on the 12″ line. These scraper traps are necessary at these points as the 12″ line stream is divided into two 10″ lines under both rivers. There are no scraper traps on the 18″ line at these locations, because there is a single continuous 18″ line across these rivers.

13. Montreal East Office

The office of the Montreal Pipe Line Company Limited is a brick building at 10803 Sherbrooke Street East, Montreal East. It is occupied by the local management and accounting group.

14. Montreal East Terminal

This is on the same property as the office, several hundred feet north of Sherbrooke Street. The main operating installation is the manifold building housing the 12″ and 18″ manifolds with individual 12″ and 18″ delivery lines to each of the five refineries except Petrofina which has an 18″ delivery line only.

During 1957 four crude oil meters were installed on the 18″ line, three on the 12″ line and a master meter was installed to serve both meter banks. These meters will be placed in operation shortly to measure crude oil deliveries to the five refineries and eliminate manual tank gauging.

Montreal Pipe Line Company Limited has one 80,000-barrel and one 117,000-barrel cone roof tank for storing oil as required. These tanks are

used occasionally for emergency hold-up of oil when refineries are unable to receive the same. Oil is delivered from these two tanks by two electric motor driven rotary pumps of about 27,000 barrels per day capacity each, whenever the occasion demands, through the delivery line system. The manifold building contains a laboratory in which routine tests for determining crude oil gravity and B.S.&W. content are made. A second building on the property houses the heating plant and also serves as a garage.

OPERATIONS

The following description of Portland-Montreal Pipe Line System's operations begins with the receipt of crude oil into the System from tankers at the Terminal in South Portland and proceeds with the movement of such crude oil through the System to delivery thereof to the five refineries of the shipper owner companies at Montreal East, Quebec. The route of the System is shown on the attached map marked "Exhibit A".

Receipt, Transportation and Delivery of Crude Oil

The System is entirely dependent on crude oil receipts by tanker at the South Portland, Maine, Terminal. The crude oil discharged by tanker is measured in pipe line tanks at the Terminal by pipe line gaugers. The crude oil is moved into the Pipe Line System at the initial South Portland pump station in batches (each batch generally consisting of a single tanker cargo). These batches are moved through the Pipe Line System one after another. Upon arrival at Montreal East delivery is made through the terminal delivery lines to the respective consignee refineries. The oil on arrival is gauged in refinery tanks by a pipe line gauger with a representative of the refinery present.

Foreign crude received at South Portland is moved in transit under United States Customs Bond through the United States. Deliveries at Montreal East are certified by a representative of the Canadian Customs and a copy of the delivery certificate is returned to the United States Customs to complete the in transit deliveries.

The line fill required to displace the two main lines from South Portland, Maine, to Montreal East, Quebec, are as follows:

18 inch line (including 22 inch loop lines)	383,000 barrels
12 inch line	178,000 barrels

All of the main line pumping stations are electrically driven with purchased power. Connected horsepower for the system totals 41,000. The power bill for the year 1957 for all stations of the system aggregated $1,730,000.

The movement of crude oil through the System is uninterrupted at the International Boundary. As shown on Exhibit A attached the pipe line enters Canada in the vicinity of North Troy, Vermont, and Highwater, Quebec. At this point there are no measuring devices or breakout tankage and the flow is continuous. Customs formalities take place at Montreal East, Quebec, where delivery is made into refinery tanks.

Scheduling and Dispatching

Scheduling of all oil movements through the System is handled in the Portland office. Tanker schedules are received weekly from the five shipper companies showing tanker names, dates of arrival, types of crude and approximate volumes to be tendered at the South Portland Terminal for consignment to the refineries at Montreal East. Practically all of the crude oil tendered is foreign crude from the Caribbean and Middle East areas. On the average ten to twelve different grades of crude are received per month with API gravities ranging usually from 25° to 41°. Exhibit B attached is a summary of the different grades of crude received during 1957 compared with 1956. Separate tanks are allocated at the South Portland Terminal for four general grades of crude: (1) Arabian, (2) Kuwait, (3) Tia Juana 102, which is a lube oil distillate base Venezuelan crude, and (4) all other crudes. The Arabian and Kuwait crudes are handled through separate tanks because of their higher sulphur content. Every effort is made to reduce to a minimum contamination of these four different grades of crude, one by another, in handling them through the System.

The tanker schedules which generally cover a period of two months are consolidated weekly into one complete tanker arrival schedule on which the Pipe Line System oil movement is based. Considerable time and effort is involved in coordinating each tanker schedule with the shippers and the Montreal East refineries in order to assure as far as possible reasonably uniform tanker arrivals at South Portland to permit maintaining uniform pumping rates as well as delivery schedules at Montreal East which meet the crude oil running programs of the five refineries.

The Dispatcher on shift in the Portland Office controls the oil movement through the System by hourly contacts with each of the eight pump stations along the line and the terminals at each end. These contacts are made through a Pipe Line System telephone communication line connecting the Portland Office with each pump station and the terminals.

The following table shows deliveries by years to consignees at Montreal East.

Year	Average Barrels Per Day	Total Barrels
1946	52,485	19,156,879
1947	59,275	21,635,384
1948	66,174	24,219,517
1949	68,563	25,025,668
1950	73,951	26,991,972
1951	125,055	45,645,015
1952	136,210	49,852,762
1953	145,311	53,038,463
1954	146,092	53,323,423
1955	185,455	67,691,018
1956	209,723	76,758,440
1957	223,093	81,428,930

TARIFFS

Portland Pipe Line Corporation operates the United States section of the System as a common carrier under the jurisdiction of the Interstate Commerce Commission. The Canadian section of the System owned by Montreal Pipe Line Company Limited is subject to the jurisdiction of the Board of Transport Commissioners for Canada, by virtue of an Amendment made to the Dominion Pipe Lines Act on December 16, 1953. Since, however, the Canadian section of the System was constructed prior to October 1, 1953, the Company may operate and construct improvements to its Pipe Line System without having to obtain authority under a special act of the Canadian Parliament.

Crude oil tendered at the South Portland Terminal is accepted for movement through the Pipe Line System under Portland Pipe Line Corporation's Tariff I.C.C. No. 2 (Exhibit C attached) which became effective June 1, 1946. The charge under this tariff for transportation for movement from South Portland, Maine, to the International Boundary is 6c per barrel plus an additional charge of 2c per barrel as a terminal charge for handling at the South Portland Terminal or a total of 8c per barrel for handling and transportation through the United States section. Montreal Pipe Line Company Limited does not have a published tariff. The charge of Montreal Pipe Line Company Limited for transportation from the International Boundary to Montreal East, Quebec, is 3c per barrel Canadian currency as stated in Portland Pipe Line Corporation's tariff. In addition, Montreal Pipe Line Company Limited makes an additional charge of ½c per barrel for heavy crude oil (under 30° API gravity).

ORGANIZATION AND ADMINISTRATION

The operation of the United States and Canadian sections of the pipe line system is well coordinated. Under an Operating Agreement with Montreal Pipe Line Company Limited, Imperial Oil Limited operates the Canadian section of the system. All of the employees of the Canadian section are on Imperial Oil Limited's payroll. One man is President of both Portland Pipe Line Corporation and Montreal Pipe Line Company Limited and acts as General Manager of the entire system. He has general supervision over the operation of both the United States and Canadian sections. Imperial Oil's Montreal East Pipe Line Division Manager, who is also Vice-President and Secretary of Montreal Pipe Line Company Limited, is in charge of the Canadian section. Portland Pipe Line Corporation's General Superintendent is responsible for the operation and maintenance of the entire system, and Portland's Chief Engineer coordinates the engineering and survey work for the entire system. The scheduling and dispatching of oil is carried out in the Portland office. Montreal Pipe Line Company Limited invoices for and collects the total revenue for transportation through the system and pays to Portland Pipe Line Corporation the latter's share of the total revenue.

Portland Pipe Line Corporation has a total of 199 employees in the United States with an annual payroll of around $1,250,000. There is a total of 50 employees on the Canadian section with a total annual payroll of approximately $290,000.

FINANCIAL STRUCTURE AND HISTORY

The Portland-Montreal pipe line system was acquired as a going concern by the four Canadian oil companies as of January 1, 1946.

Capitalization—Original (1946)

Debt:		
Portland Pipe Line Corporation Bank Notes—1¾% payable $345,000 annually over 10 years	$3,450,000	51.7%
Capital Stock:		
Portland Pipe Line Corporation	$1,150,100	
Montreal Pipe Line Company Ltd.	$2,070,500	48.3%
	$3,220,600	
Total Capitalization	$6,670,600	

The funds borrowed in 1946 from banks by Portland Pipe Line Corporation, which were guaranteed by throughput agreements by the four Canadian oil companies, were completely repaid by the end of 1955.

Construction of additional facilities during years 1946 to 1949, inclusive, were financed from the cash resources of the two pipe line companies.

The 18″ main line expansion program carried out during 1950 required further outside financing. In 1950, Portland Pipe Line Corporation borrowed $10,600,000 from John Hancock Mutual Life Insurance Company on a 2.95% note due July 15, 1965. At the same time, Montreal Pipe Line Company Limited borrowed $2,900,000 (U.S.) from John Hancock Mutual Life Insurance Company on a 2.95% note due January 15, 1963, and $1,000,000 (Canadian) from Teachers Insurance & Annuity Association of America on a 3⅛% note due January 15, 1963. These loans were also guaranteed by throughput agreements by the four Canadian oil companies.

The construction programs carried out since 1950 have been financed from the cash resources of the two pipe line companies except that Portland Pipe Line Corporation borrowed from a bank on a short-term basis $500,000 in 1957 and an additional $200,000 in 1958. On maturity date, July 8, 1958, these loans will be renewed for an additional year.

Capitalization—December 31, 1957

Portland Pipe Line Corporation

Debts Covered By Notes	Borrowed	Repaid	Outstanding	
John Hancock Mutual Life Insurance Company—2.95%, maturing July 15, 1965	$10,600,000	$ 4,092,500	$ 6,507,500	
First Portland National Bank—4½%, maturing July 8, 1958	700,000		700,000	
	$11,300,000	$ 4,092,500	$ 7,207,500	38.5%
Capital Stock and Retained Earnings				
Capital Stock:				
Authorized — 20,000 Shares, $100 par value				
Issued—11,501 Shares		$ 1,150,100		
Retained Earnings		10,378,362	$11,528,462	61.5%
Total Capitalization			$18,735,962	

Montreal Pipe Line Company Limited

Debts Covered By Notes	Borrowed	Repaid	Outstanding	
John Hancock Mutual Life Insurance Company, U. S. Dollar Loan — 2.95%, maturing January 15, 1963	$ 2,900,000	$ 1,570,833	$ 1,329,167	(U.S.$)
Teachers Insurance & Annuity Association of America, Canadian Dollar Loan — 3⅛%, maturing January 15, 1963	1,000,000	541,667	458,333	
	$ 3,900,000	$ 2,112,500	$ 1,787,500	20.33%
Capital Stock and Retained Earnings				
Capital Stock:				
Authorized — 50,000 Shares, $100 par value				
Issued—32,206 Shares		$ 3,220,600*		
Retained Earnings		$ 3,786,219	$ 7,006,819	79.67%
Total Capitalization			$ 8,794,319	

*Includes $1,150,100 issued in exchange for all outstanding shares of Portland Pipe Line Corporation in 1956.

Portland-Montreal Consolidated

Outstanding Debts Covered By Notes	$ 8,995,000
Capital Stock	3,220,600
Retained Earnings	14,164,581
Total Capitalization	$26,380,181

Note: U. S. and Canadian Dollars shown at par.

Operating Statements 1956 and 1957

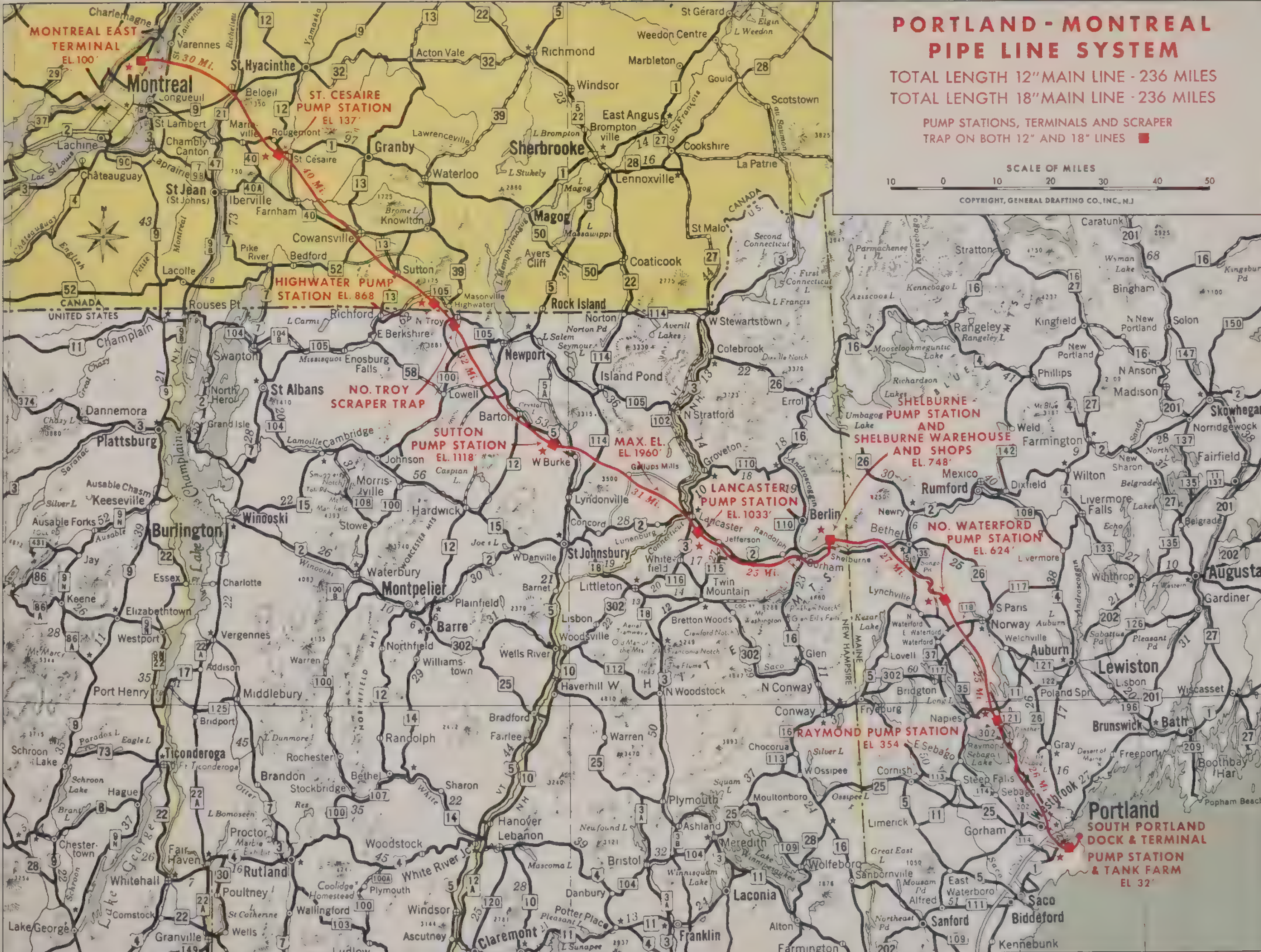
The following is a consolidated operating and financial summary of the pipe line system for the years 1956 and 1957. For this consolidation U. S. and Canadian dollars are treated on an equal basis.

	1956	1957
Revenue Barrels Delivered (Barrels Per Day)	209,781	223,108
Barrel Miles (Millions)	18,791	19,930
Investment In Fixed Assets	$35,330,524	$37,352,375
Less—Accumulated Depreciation	11,284,081	12,185,799
	$24,046,443	$25,166,576
Income		
Operating Revenue	$ 9,472,910	$10,193,902
Other Income	64,673	52,882
	$ 9,537,583	$10,246,784
Charges		
Operating Expense	$ 3,347,734	$ 4,012,662
Taxes, Other Than Income Taxes	306,918	334,259
Provision for Depreciation	937,590	1,057,354
Interest on Long Term Debts	297,660	276,155
Other	3,508	33,944
	$ 4,893,410	$ 5,714,374
Balance Before Income Taxes	$ 4,644,173	$ 4,532,410
Provision for Income Tax	2,194,337	2,147,833
Net Income for the Year	$2,449,836	$ 2,384,577
Add — Retained Earnings at Beginning of Year	9,330,168	11,780,004
Retained Earnings at End of Year	$11,780,004	$14,164,581

Summary balance sheets as of December 31, 1956 and 1957 for Portland Pipe Line Corporation and Montreal Pipe Line Company Limited are shown on Exhibits D and E respectively.

Dividends

Since 1946 Montreal Pipe Line Company Limited has only paid two dividends of $10.00 per share each for the years 1946 and 1947 for a total of $414,100. Portland Pipe Line Corporation has never paid a dividend.



PORTLAND - MONTREAL
PIPE LINE SYSTEM
TOTAL LENGTH 12" MAIN LINE - 236 MILES
TOTAL LENGTH 18" MAIN LINE - 236 MILES
PUMP STATIONS, TERMINALS AND SCRAPER TRAP ON BOTH 12" AND 18" LINES
SCALE OF MILES
10 0 10 20 30 40 50
COPYRIGHT, GENERAL DRAFTING CO., INC., N.J.
MONTREAL EAST TERMINAL EL. 100'
30 Mi.
ST. CESAIRE PUMP STATION EL 137'
40 Mi.
HIGHWATER PUMP STATION EL. 868
NO. TROY SCRAPER TRAP
32 Mi.
SUTTON PUMP STATION EL. 1118'
MAX. EL. EL 1960'
31 Mi.
LANCASTER PUMP STATION EL. 1033'
25 Mi.
SHELBURNE PUMP STATION AND SHELBURNE WAREHOUSE AND SHOPS EL. 748'
27 Mi.
NO. WATERFORD PUMP STATION EL. 624'
25 Mi.
RAYMOND PUMP STATION EL 354
26 Mi.
SOUTH PORTLAND DOCK & TERMINAL
PUMP STATION & TANK FARM EL 32'
Montreal
Sherbrooke
Burlington
Montpelier
Portland
Lewiston
Augusta
CANADA
UNITED STATES

SUMMARY OF GRADES OF CRUDE RECEIVED AT SOUTH PORTLAND, MAINE DURING 1957 COMPARED WITH 1956

(SEE NEXT PAGE)

EXHIBIT B

SUMMARY OF GRADES OF CRUDE RECEIVED AT SOUTH PORTLAND, MAINE DURING 1957 COMPARED WITH 1956

Origin and Kind of Crude	Gravity Range API	Received in 1956 M Bbls.	Received in 1956 %	Received in 1957 M Bbls.	Received in 1957 %
I. CARIBBEAN AREA			(83.7)		(84.6)
From Venezuela:			(81.8)		(83.1)
Varco Heavy Mix	24.0-27.1	110	0.1	111	0.1
Guanipa Heavy Mix Crudes	23.9-29.9			6,417	7.8
Guanipa, Lagomar, Mesa, Oficina, Oficina Blend, Mata, Mata/Oficina, Mesa/Oficina, Mesa/Santa Rosa, Paconsib and Tigre Crudes	30.0-33.9	46,824	61.6	44,941	54.8
Oficina and Mesa Crudes	34.0-36.0	6,196	8.2	7,632	9.3
West Tarra	37.5-38.0	242	0.3	122	0.2
Tia Juana Light Crude	30.5-31.9	718	0.9	2,062	2.5
Tia Juana Med. Crude	25.9-26.9	3,551	4.7	2,628	3.2
Tia Juana 102 Crude	24.5-25.9	4,561	6.0	4,251	5.2
From Colombia:			(0.4)		
Barco	46.7	126	0.2		
Velasquez	23.8	125	0.2		
From Trinidad:			(1.5)		(1.5)
Trinidad Crude	25.7-32.0	1,008	1.3	1,257	1.5
Trinidad Blend	41.3	120	0.2		

Origin and Kind of Crude	Gravity Range API	Received in 1956 M Bbls.	%	Received in 1957 M Bbls.	%
II. MIDDLE EAST			(16.3)		(12.5)
From Iran:					
Ahga Jari Crude	34.0-34.1	173	0.2	190	0.2
From Iraq:					
Iraq Crude	35.5-36.1	717	0.9	149	0.2
From Kuwait:					
Kuwait Crude	30.6-31.9	3,427	4.5	4,659	5.7
From Saudi Arabia:					
Stabilized Arabian Crude	33.8-36.5	8,176	10.7	5,219	6.4
III. U. S. GULF COAST*					(2.9)
From Louisiana, Texas and Oklahoma:					
Lake Washington Crude	28.0-28.4			479	0.6
Delta Mix and South Louisiana Sweet Mix Crudes	31.9-33.7			745	0.9
Louisiana Mixed, West Central Texas, East Texas and Oklahoma Crudes	37.9-40.1			959	1.2
West Texas Semi-Sweet Crude	45.1			122	0.2
TOTALS		76,074	100.0	81,943	100.0

*This U. S. crude tendered early part of 1957 in place of Middle East crude during Suez Canal situation.

No supplement to this tariff will be issued except for the purpose of canceling the tariff unless otherwise specifically authorized by the commission.

I. C. C. No. 2
CANCELING PORTLAND PIPE LINE COMPANY SERIES I. C. C. No. 4

PORTLAND PIPE LINE CORPORATION

LOCAL TARIFF

Applying on

CRUDE PETROLEUM

The rate named in this tariff is subject to the Rules and Regulations published on Page 2 hereof.

FROM	TO	Rate in cents per Bbl. of 42 U. S. Gallons
SOUTH PORTLAND, ... MAINE	INTERNATIONAL BOUNDARY (North Troy, Vermont)	↓ 6

↓ In addition to the above, a charge of two cents (2¢) per barrel will be made as a terminal charge for handling at terminal, South Portland, Maine.

This tariff is applicable only on crude petroleum tendered for transportation for delivery into the pipe line of the Montreal Pipe Line Company at International Boundary, North Troy, Vermont, for transportation to Montreal, Quebec, Canada, by the Montreal Pipe Line Company. For the information of the shipper, the charge of the Montreal Pipe Line Company from International Boundary to Montreal is ↓ three (3) cents per barrel (Canadian Currency).

Shipments transported under this tariff are entitled to such privileges and subject to such charges as are or shall be published by this Company and such as are lawfully in effect on date of shipment and lawfully on file with the Interstate Commerce Commission, providing for reconsignment, storage, transit privileges or any other privileges, charges or rules which in any way increase or decrease the amounts to be paid on any shipment transported under this tariff, or which increase or decrease the value of the service to the shipper.

↓ Denotes Decrease.

ISSUED MAY 1, 1946 EFFECTIVE JUNE 1, 1946

ISSUED BY

F. C. SCHULTZ

PRESIDENT, PORTLAND PIPE LINE CORPORATION

335 FOREST AVENUE

PORTLAND 3, MAINE

REGULATIONS

The provisions in these regulations dealing with delivery at Montreal are shown for information.

CRUDE PETROLEUM DEFINED:—This company will receive crude petroleum (and by crude petroleum as used in these regulations is meant the direct products of oil wells or a mixture of the direct or indirect products of the same in such proportion that the direct products or the resulting blend shall not have a Reid Vapor Pressure in excess of 10 pounds at 100° F.) for transportation only. This company will not accept for transportation any shipment that has a Reid Vapor Pressure in excess of 10 pounds at 100° F. Crude petroleum will be accepted for transportation only if it has gravity, viscosity and cold tests, giving it characteristics which will allow this company to receive it into storage tanks at South Portland Terminal and move it through the pipe line to its destination at Montreal, Canada, with the usual pipe line and pump station facilities under prevailing temperature and weather conditions.

INDIRECT PETROLEUM PRODUCTS:—This company will receive an indirect product of crude petroleum for transportation provided it can be mixed with crude petroleum at the point offered, or provided it can be introduced into the crude petroleum contained in the trunk lines of this company at the point where the indirect petroleum product is offered, and provided that both crude petroleum and such indirect petroleum product are owned by the same consignor, and provided further, the resulting mixture shall comply with the provisions of the paragraph immediately preceding. The term crude petroleum will include such indirect petroleum products.

BARREL DEFINED:—For the purpose of these rules and regulations a "Barrel" of crude petroleum or indirect petroleum products is declared to be 42 gallons, United States measurement, at a test of 60° Fahrenheit.

MARKETABLE OIL TO BE RECEIVED FOR TRANSPORTATION.—By the term marketable oil is meant any crude petroleum or indirect petroleum product adapted for refining or fuel purposes, properly settled, and containing not more than one-half of one per cent of basic sediment, water, or other impurities. This company will, if permission is obtained therefor, accept crude petroleum or indirect petroleum products containing more than one-half of one per cent of basic sediment, water or other impurities, provided the shipper of such oil assumes the extra expense of treatment to reduce the basic sediments, water and other impurities content to the one-half of one per cent herein specified.

First:—DESTINATION FACILITIES.—Crude petroleum will be received for transportation only when the shipper or consignee has provided the necessary facilities for receiving said crude petroleum as it arrives at Montreal.

Second:—MAXIMUM AND MINIMUM TENDERS AND ACCEPTANCES.—This company will receive for transportation all such marketable oil tendered by the shipper individually or by him and others, provided the marketable oil is of the same kind and quality and shall amount in the aggregate to not less than 25,000 barrels. Each tanker cargo shall be handled under a separate tender.

Third:—ORDERS FOR SHIPMENT.—Orders for shipment of any specified kind of crude petroleum or indirect petroleum product shall only become effective when orders from the shipper, in connection with orders from other shippers, for the same kind and quality of crude petroleum or indirect petroleum product, shall amount in the aggregate to not less than 25,000 barrels.

Fourth:—IDENTITY OF OIL.—All such crude petroleum will be accepted for transportation only on condition that it shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said crude petroleum with other crude petroleum in the pipe lines or tanks of this, or the connecting company, or companies.

Fifth:—COMMODITY TRANSPORTED.—This company is engaged in the transportation of crude petroleum and indirect petroleum products as defined above and therefore will not accept any other commodity for transportation.

Sixth:—DELIVERY NOTICE.—This company shall transport crude petroleum with due diligence considering the quality of the crude petroleum, the distance of transportation, and other material elements, but may at any time after receipt of a crude petroleum transportation order, upon twenty-four (24) hours' notice to the consignee, tender oil for delivery from its common stock at point of destination, conformable to Regulation Fourth.

Seventh:—LIENS AND UNPAID CHARGES.—Such crude petroleum will be accepted for transportation only when free from all liens and charges.

Eighth:—PAYMENT OF CHARGES.—The shipper or consignee shall pay the transportation and all other lawful charges accruing on such crude petroleum tendered for shipment, and, upon demand, shall pay the same before delivery to connection pipe line. Crude petroleum accepted for transportation shall be subject to a lien for all such charges.

Ninth:—LIABILITY OF PIPE LINES.—No carrier or party in possession of any of the crude petroleum herein described shall be liable for any loss thereof, damage thereto or delay caused by fire, storm, flood, epidemics, act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, default of shipper or owner, or from any other cause not due to the negligence of these carriers. In case of loss of any crude petroleum from any such causes after it has been received for transportation and before same has been delivered to consignee at Montreal, Quebec, Canada, if such oil lost cannot be identified as belonging to a particular shipper or consignee, then the shipper shall stand a loss in such proportion as the amount of his shipment, already delivered to the company, bears to all of the crude petroleum then in the custody of the company and of the Montreal Pipe Line Company, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due proportion of such loss; but if such crude petroleum so lost can be identified as belonging to a particular shipper, then the entire loss shall be allocated to that shipper. In either case the shipper shall be required to pay transportation charges only upon the quantity of crude petroleum delivered.

Tenth:—CLAIMS, SUITS, AND TIME FOR FILING.—As a condition precedent to recovery, claims must be filed in writing with the initial or delivering carrier, within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against any carrier only within two (2) years and one (1) day from the time the cause of action accrues except that if a claim has been presented to the carrier within the limitation period, such period shall be extended to include six (6) months from the time when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, no carrier hereunder shall be liable and such claims will not be paid.

Eleventh:—USE OF TELEPHONE FACILITIES.—Where this company maintains a private telephone system, shippers may use same, without extra charge, for messages incident to shipment. However, this company shall not be liable for non-delivery of messages away from its offices, for delay in transmission, or for interruption of service.

Twelfth:—GAUGING, TESTING, AND DEDUCTIONS.—Crude petroleum tendered to this company for transportation shall be gauged and tested by a representative of this company prior to its receipt from the shipper, but the shipper shall have the privilege of being present or represented at the gauging and testing. Quantities shall be computed from correctly compiled Tank Tables on a one hundred per cent (100%) volume basis and shall show the gross volume at the observed fluid temperature. Crude petroleum of required specification will be received and delivered, corrected as to temperature from observed degrees Fahrenheit to 60° Fahrenheit, on the basis of National Bureau of Standards Abridged Volume Correction Table for Petroleum Oils, supplement to National Bureau of Standards Circular C-410, issued April 20, 1937; United States Bureau of Standards A.S.T.M. Designation: D-206-36; A.P.I. Standard No. 500. A centrifuge machine or other methods agreed upon shall be used for ascertaining the amount of basic sediment, water or other impurities and the full per cent of basic sediment, water or other impurities as ascertained shall be deducted from the corrected volume. A further deduction of one-half of one per cent (½ of 1%) shall be made for evaporation and other unavoidable loss incident to the transportation by pipe line. The net (corrected) balance at 60° Fahrenheit will be the quantity deliverable by the pipe line and transportation charges will be assessed in accordance therewith.

PORTLAND PIPE LINE CORPORATION
BALANCE SHEET

(SEE NEXT PAGE)

EXHIBIT D

PORTLAND PIPE LINE CORPORATION
BALANCE SHEET

(U. S. Dollars)

Particulars	Dec. 31, 1956	Dec. 31, 1957
ASSETS		
Current Assets:		
Cash	$ 772,211	$ 755,256
Transportation Revenue Receivable	97,797	61,803
Accounts Receivable	48,767	37,553
Inventory—Crude Oil	654,069	659,698
Inventories—Materials and Supplies	330,321	290,373
Other Current Assets	6,649	5,211
Total Current Assets	$ 1,908,814	$ 1,809,894
Fixed (Capital) Assets:		
Property, Plant and Equipment (Gross)	$24,396,597	$25,946,721
Less Reserves	7,223,251	7,810,312
Total Fixed (Capital) Assets (Net)	$17,173,346	$18,136,409
Prepayments	$ 185,879	$ 153,272
Deferred Debits	22,741	21,260
Deferred Accounts Receivable	35,610	23,610
Special Deposits and Other Investments	5,000	5,000
Total Assets	$19,331,390	$20,149,445

Particulars	Dec. 31, 1956	Dec. 31, 1957
LIABILITIES		
Current Liabilities:		
Reserve for Federal Income Taxes	$ 1,307,618	$ 1,156,267
Accrued Interest Payable	99,096	98,737
Note Payments Due Within One Year	821,667	1,321,667
Accounts Payable	565,939	244,209
Other Current Liabilities	92,037	96,249
Total Current Liabilities	$ 2,886,357	$ 2,917,129
Long Term Debt (Less Payments Due Currently)	$ 6,507,500	$ 5,685,833
Other Reserves	22,663	18,021
Capital Stock— 20,000 Shares Authorized 11,501 Shares Outstanding	1,150,100	1,150,100
Surplus	8,764,770	10,378,362
Total Liabilities	$19,331,390	$20,149,445

EXHIBIT E

MONTREAL PIPE LINE COMPANY LIMITED
BALANCE SHEET

(Canadian Dollars)

Particulars	Dec. 31, 1956	Dec. 31, 1957
ASSETS		
Current Assets:		
Cash	$ 89,983	$ 44,225
Investments	324,425	699,449
Transportation Revenue Receivable	366,996	359,225
Accounts Receivable	15,819	24,647
Inventory—Crude Oil	138,212	120,253
Inventories—Materials and Supplies	60,480	107,324
Total Current Assets	$ 995,915	$ 1,355,123
Investments in Affiliated Companies		
Portland Pipe Line Corporation	$ 1,150,100	$ 1,150,100
Fixed (Capital) Assets:		
Property, Plant and Equipment (Gross)	$10,933,927	$11,405,654
Less Reserves	4,060,830	4,375,487
Total Fixed (Capital) Assets (Net)	$ 6,873,097	$ 7,030,167
Prepayments	$ 61,382	$ 51,276
Deferred Debits	8,388	6,277
Deferred Accounts Receivable	164,622	139,964
Special Deposits and Other Investments	30,234	21,900
Total Assets	$ 9,283,738	$ 9,754,807

Particulars	Dec. 31, 1956	Dec. 31, 1957
LIABILITIES		
Current Liabilities:		
Reserve for Income Taxes	$ 260,300	$ 320,000
Accrued Interest Payable	28,161	24,124
Note Payments Due Within One Year	325,000	325,000
Joint Revenue Payable	94,160	61,183
Accounts Payable	172,369	112,753
Total Current Liabilities	$ 879,990	$ 843,060
Long Term Debt (Less Payments Due Currently)	$ 1,889,873	$ 1,550,335
Income Tax Reductions — Applicable to Future Years	278,041	354,593
Capital Stock— 50,000 Shares Authorized 32,206 Shares Outstanding	3,220,600	3,220,600
Surplus	3,015,234	3,786,219
Total Liabilities	$ 9,283,738	$ 9,754,807

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